



COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF ENERGY & ENVIRONMENTAL AFFAIRS  
**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

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Governor

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Lieutenant Governor

IAN A. BOWLES  
Secretary

LAURIE BURT  
Commissioner

January 1, 2008

To All Interested Parties:

The Massachusetts Department of Environmental Protection, Division of Municipal Services (MassDEP), is pleased to announce this 2008 **Final Intended Use Plan (IUP)** for the **Drinking Water State Revolving Fund (DWSRF)** loan program. The purpose of the DWSRF program is to assist Public Water Suppliers in implementing the requirements of the Safe Drinking Water Act.

The attached IUP (Table 1) lists by priority ranking those projects that MassDEP will recommend to be financed through the Massachusetts Water Pollution Abatement Trust (the Trust) in 2008. The IUP lists those projects determined to be the most significant in terms of public and environmental health. The IUP lists twenty-four (24) new construction projects, ten (10) carry-over projects from the previous IUP, and two (2) planning projects, totaling \$140,111,170. Final specific project scopes and eligible costs will be established during the project approval process, which commences upon receipt of a complete application by MassDEP including final Plans and Specifications.

MassDEP objectives for DW SRF set-aside activities are included as Attachment A. This Attachment A details how MassDEP intends to utilize these set aside funds in FY 2008 to implement the federal Safe Drinking Water Act. The DWSRF "set aside" programs are: Administration, Small System, State Program Management, and Local Assistance, with approximately \$6.9 million allocated to these purposes.

The Project Priority List (PPL) section of the Final IUP (Table 2) lists the scores for all applications submitted to MassDEP in August of 2007. Scores were determined by a review of applicant responses to a series of questions intended to measure the severity of public health and environmental problems. For 2008, up to 30% of the available solicitation points were awarded in consideration of a community's commitment to Sustainable Development principles.

MassDEP is required to allocate 15% of the DW SRF grant for projects assisting small systems, defined as those with fewer than 10,000 customers. The proposed grant for 2008 is \$22,159,000. Six (6) projects, totaling \$12,543,600, or approximately 57% of the 2008 grant, are included on the IUP, easily satisfying the small system requirement.

MassDEP has, in response to the need for increased conservation and energy efficiency, established the drinking water emergency reserve at \$3.0M. This will finance at MassDEP's discretion, unanticipated problems of acute environmental and public health concern, which arise during the year. To be funded

under this reserve, proposed projects must be in response to an imminent environmental or public health threat and otherwise meet MassDEP's applicable criteria.

In consultation with EPA Region 1, MassDEP agreed to elevate to the IUP any project whose implementation would be necessary to remediate the most serious risk to human health or would be necessary to ensure compliance with the requirements of the SDWA, if the proponent score was so low on CommCap as to miss the funded portion of the Priority list. Given that all 2008 applicants have been approved for funding, there was no need for MassDEP to exercise this provision in creating the Final IUP.

At 11:30 a.m. on December 7, 2007, MassDEP conducted a **Public Hearing** in the Conference Room on the second floor of One Winter Street, Boston, in regard to the Draft IUP. Oral and written testimony were received in regard to project scores, the \$15 million applicant cap, the Emergency Reserve, DWSRF Set Aside Programs and the exclusion of design costs. The testimony is reflected in the Final rankings and is summarized in the record of the Public Hearing, available through this office.

Based upon testimony received during the public comment period, MassDEP has revised appropriate Draft recommendations to include increasing the applicant cap for this IUP to \$32 million dollars of the available funding. This will limit any one applicant from receiving any more than this amount of the available funding for this year's IUP.

Successful applicants are required to obtain local appropriation for their project cost by no later than June 30, 2008, and to submit a copy of the vote to DEP. In addition, each applicant is required to submit "buildable" plans and specifications with a completed financial application to MassDEP by no later than October 16, 2008. Failure to meet either deadline will result in removal from the IUP. A bypass procedure can be implemented at MassDEP's discretion, resulting in an offer of funding to the next highest rated project ready to proceed at the time. MassDEP will contact all selected proponents with full details under separate cover.

In the upcoming weeks, the Division of Municipal Services and the Trust will conduct joint meetings with IUP-listed proponents to detail the next steps in the SRF process. Since SRF project financing requires coordination between engineering and financing professionals, participation of both in the sessions is strongly recommended. Details of the "Borrowers Meetings" will arrive under separate cover.

MassDEP appreciates the efforts that proponents invested in the development of applications. We know that significant effort goes into every application, and appreciate your efforts to enhance and protect the drinking water quality for the citizens of the Commonwealth.

Sincerely,

Steven McCurdy, Director  
Division of Municipal Services

**TABLE 1**  
**DRINKING WATER STATE REVOLVING FUND**  
**Calendar 2008 DWSRF Intended Use Plan**

**NEW PROJECTS**

Rating	Applicant	SRF ID	Project	Project Cost	2008 IUP Cost
138.0	LEOMINSTER	3111	New Water Treatment Plant and System Upgrades	\$19,260,000	\$10,000,000
108.0	DENNIS	3117	Two water treatment plants and transmission mains	\$11,110,000	\$6,000,000
92.0	*ASSABET WATER COMPANY, INC.	3109	Install New Water System in Lower Village, Stow	\$605,000	\$605,000
82.0	SALISBURY WATER SUPPLY COMPANY	3158	Rabbit Road Water main Replacement	\$1,560,000	\$1,560,000
70.0	*SOUTH GRAFTON	3112	Pump Station Upgrade for Filtration	\$1,760,000	\$1,760,000
70.0	FALL RIVER	3118	Water System Improvements - Phase 8	\$3,370,000	\$3,370,000
70.0	BILLERICA	3155	Distribution System Improvements	\$5,306,000	\$4,000,000
67.0	TAUNTON	3120	Water System Improvements	\$5,945,000	\$3,000,000
65.0	MWRA	3156	Weston Aqueduct Supply Main 3	\$48,803,000	\$500,000
63.0	MWRA	3160	NHS - Revere & Malden Pipeline	\$9,052,000	\$500,000
63.0	AMESBURY	3159	Water Treatment Plant Upgrade	\$22,500,000	\$12,000,000
61.0	TRI TOWN WATER BOARD	3080	Construction of New Water Treatment Plant	\$38,000,000	\$3,000,000
59.0	RANDOLPH	3149	Water System Improvements	\$4,229,000	\$4,229,000
56.0	GLOUCESTER	3154	Interim Water Treatment Plant Improvements	\$3,220,000	\$3,220,000
45.0	AMESBURY	3162	Water Mains, Pump Station, and Water Tank Upgrades	\$5,076,000	\$5,076,000
42.0	NEEDHAM	3157	Rehab Water Main/Hydrants/Services	\$1,900,000	\$1,900,000
40.0	ABINGTON/ROCKLAND JOINT WATER WORKS	3114	Residual Handling Fac.and Water System Master Plan	\$4,090,000	\$4,090,000
40.0	CENTERVILLE OSTERVILLE MARSTONS MILLS WD.	3115	Water Stage Storage Tank Replacement	\$3,450,000	\$3,450,000
38.0	HOLBROOK	3150	Distribution System Improvements	\$9,350,000	\$4,000,000
37.0	*RUTLAND	3110	New Water Storage Tank and Tank Rehab	\$2,750,000	\$2,750,000
36.0	BRIDGEWATER	3116	Replacement of Water Mains	\$1,254,850	\$1,254,850
35.0	*ASHBURNHAM	3113	Distribution and Storage Improvements	\$4,314,600	\$4,314,600
32.2	*STOCKBRIDGE	3098	Water Storage Tank & Main Street Water Mains	\$2,935,000	\$2,935,000
22.0	*SOMERSET HILLS L.P.	3151	Connection to Municipal Water	\$179,000	\$179,000
<b>TOTAL OF NEW PROJECTS</b>				<b>\$210,019,450</b>	<b>\$83,693,450</b>

(Count: 24)

(Average Rating: 59.63)

\* Indicates Small System

**MassDEP PRIORITY PROJECTS**

Applicant	SRF ID	Project	Project Cost	2008 IUP Cost
EMERGENCY SRF SET-A-SIDE	2978		\$3,000,000	\$3,000,000
<b>TOTAL OF MassDEP PRIORITY PROJECTS</b>			<b>\$3,000,000</b>	<b>\$3,000,000</b>

(Count: 1)

**MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS**

Applicant	SRF ID	Project	Project Cost	2008 IUP Cost
ATTLEBORO	3006	Water Distribution System Improvements	\$5,595,000	\$3,600,000
LOWELL	3037	Water System Rehabilitation and Improvement	\$16,895,000	\$6,895,000
MWRA	3050	Northern Low Service Area Rehabilitation	\$16,978,840	\$1,000,000
MWRA	3049	New Connecting Mains	\$47,808,200	\$5,000,000
MWRA	3048	Lower Hultman Aqueduct Rehabilitation	\$57,970,000	\$3,000,000
MWRA	2868	Spot Pond Mains, Clean Etc.	\$68,499,200	\$5,000,000
MWRA	677	Walnut Hill Water Treatment Plant	\$231,331,497	\$1,000,000
MWRA	1679	Blue Hills Covered Storage	\$37,766,275	\$13,667,720
MWRA	1680	Southern Spine Distribution Mains	\$41,785,754	\$2,000,000
WOBURN	3052	Water Treatment Plant Construction	\$21,700,000	\$11,700,000
<b>TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS</b>			<b>\$546,329,766</b>	<b>\$52,862,720</b>

(Count: 10)

**PLANNING PROJECTS**

Applicant	SRF ID	Project	Project Cost	2008 IUP Cost
BOXBOROUGH	3148	Planning for New Water Supply & Distribution	\$500,000	\$500,000
TAUNTON	3163	Water System Studies	\$55,000	\$55,000
<b>TOTAL OF PLANNING PROJECTS</b>			<b>\$555,000</b>	<b>\$555,000</b>

(Count: 2)

<b>TOTAL OF INTENDED USE PLAN</b>	<b>\$759,904,216</b>	<b>\$140,111,170</b>
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**Bureau of Resource Protection  
Drinking Water State Revolving Loan Fund Program  
Calendar Year 2008 Intended Use Plan And Project Priority List**

***Introduction***

The Federal Safe Drinking Water Amendments of 1996 authorize the award of capitalization grants to the States in order to create individual Drinking Water State Revolving Fund (DWSRF) programs. These programs provide State-administered below market rate loans to finance community water supply projects, both publicly and privately owned. Under the DWSRF program, States are required to match the federal capitalization grant to create the loan fund. Projects to be financed are selected using a priority ranking system based upon protection of the public health and improved compliance, together with affordability.

Pursuant to the applicable provisions of the Federal Safe Drinking Water Act Amendments of 1996, Chapter 78 of the Acts of 1998, and 310 CMR 45.00, the Massachusetts Department of Environmental Protection (MassDEP) developed its Final 2008 Intended Use Plan/Project Priority Lists (IUP/PPL), with its attendant ranking of drinking water projects. In order for a project to receive financial assistance under the State Revolving Loan Fund program, that project must appear on the Project Priority List and the Intended Use Plan Project Listing.

Notice of availability of the Draft 2008 IUP/PPL was made on November 5, 2007 and a Public Hearing was held on December 7, 2007, at MassDEP, One Winter Street in Boston at 11:30 a.m. Written public comment was accepted until 5:00 p.m. on December 12, 2007.

All new projects receiving financial assistance from the DWSRF will be eligible for loans at 2% interest. The Commonwealth subsidizes these loans, funding the spread between market interest rates and the 2% loan. This subsidy, so-called Contract Assistance, will continue to be allotted to the SRF programs in this and upcoming budget cycles.

The following is the Commonwealth's Final 2008 Intended Use Plan and Project Priority List for the Funding Period January 1, 2008 through December 31, 2008. This 2008 Intended Use Plan is for the construction of drinking water projects and for the non-project activities, namely DWSRF set-asides, described in Attachment A.

***Long-term and Short-term Goal Statements***

*Long-term Goals.* The Massachusetts State Revolving Fund has the following long-term goals:

- Support protection of public health by ensuring that all Massachusetts Public Water Suppliers have the necessary technical, financial and managerial capacity to maintain compliance with the current and foreseeable SDWA requirements and provide safe drinking water to their customers;
- Annually reexamine the balance between use of set-aside and project funds and adjust strategy as needed in subsequent years' applications for DWSRF funds;
- Promote the completion of cost-effective projects that maximize protection of public health;
- Effectively manage a drinking water program that facilitates compliance with the SDWA through the use of outreach efforts such as capacity assessments and technical assistance;
- Ensure that water treatment projects financed through the SRF fully consider cost effective energy efficiency measures and/or renewable energy strategies; and

- Encourage long-term water system planning efforts by reserving Drinking Water SRF funds for these types of planning studies.

*Short Term Goals.* The short-term goals of the Massachusetts State Revolving Fund include:

- Integrating the Commonwealth Capital Score into DWSRF financing decisions. MassDEP will place a project on the fundable portion of the project priority list regardless of the Commonwealth Capital score if implementation of the project is necessary to remediate the most serious risk to human health or is necessary to ensure compliance with the requirements of the SDWA. MassDEP's decision to elevate a project onto the priority list despite a poor Commonwealth Capital score shall be based solely upon a pressing public health or compliance need. MassDEP may require the affected community to implement measures required to improve its Commonwealth Capital score;
- Providing a DWSRF reserve, not to exceed \$3.0 million of available funds, to finance at MassDEP's discretion unanticipated problems of acute public health concern, such as arise during the year. Such projects must constitute an imminent public health threat and otherwise meet MassDEP's applicable criteria;
- Developing and funding innovative education, planning and compliance assistance programs for small systems to identify and reduce the number of small systems with compliance problems;
- Performing outreach efforts to Drinking Water SRF borrowers that identify the focus on and eligibility of energy efficiency/alternative energy projects;
- Upgrading failing distribution systems to eliminate lead service lines, ensure adequate pressure and flow, and to reduce the potential of bacterial contamination;
- Providing additional storage to ensure adequate water volume, system pressure and redundancy;
- Enhancing security of drinking water systems during the construction or rehabilitation of major facilities;
- Assisting communities in the identification and elimination of naturally occurring contamination (e.g. radionuclide, arsenic, etc.); and
- Executing Drinking Water Set-Aside work plans.

### ***Sources and Spending Limits for the 2008 Funding Period***

Funding for the SRF program will consist of Federal capitalization funds, the required 20 percent State match and other revenue available to the fund. MassDEP intends to leverage these funds in order to maximize the available funding. As a result, approximately \$140 million in financial assistance will be available for the 2008 funding period. In the event that the total amount available for loans is reduced or expanded, the Intended Use Plan may be modified accordingly. MassDEP upon receipt of additional federal and/or state allotments, or other available funds, if any, may move projects from the Project Priority List to the IUP Project Listing or may make increases to previously approved projects. The projects moved to the IUP Project Listing would be the highest ranked priority projects from the Project Priority List that are ready to proceed.

*Applicant Cap Limitation.* The regulations at 310 CMR 45.00 place a limit on any one proponent receiving any more than twenty-five percent of the available funding in a given year. In order to extend financial assistance to as many highly ranked projects as possible, MassDEP is proposing an applicant cap of \$32 million dollars for the 2008

funding period. MassDEP, however, reserves the right to waive the applicant cap limitation if MassDEP determines that one or more projects on the Intended Use Plan Project Listing is not ready to proceed. If the applicant cap is waived, communities may see an increase in financing support for projects not fully funded on the IUP listing.

### ***Eligible Projects***

Any drinking water project of an eligible borrower is eligible to receive financial assistance from the Trust. Such eligible projects include, but are not limited to:

- a) Projects to address or prevent violation of public health standards, including projects to come into or maintain compliance.
- b) Projects to replace aging infrastructure, if such projects are needed to maintain compliance or further public health goals and requirements, including projects to rehabilitate or develop sources to replace contaminated sources, install or upgrade treatment or storage facilities, and install or replace transmission and distribution pipes to prevent contamination or improve water pressure to safe levels.
- c) Projects to consolidate and or restructure a public water system.
- d) Planning and/or design of any eligible project.

### ***Eligible Project Costs***

Costs of construction and planning that MassDEP determines are necessary for the completion of the project are eligible for financing in the loan and to receive a subsidy under the loan, subject to the applicant cap. Although costs for design are eligible, they will not be financed during this Funding Period due to the high demand for construction and planning funding.

### ***Intended Use Plan Project Listing***

The IUP Project Listing, Table 1, presents those drinking water projects approved for financing in the 2008 Funding Period, January 1, 2008 through December 31, 2008, through the State Revolving Fund loan program (SRF). Funding is contingent upon water suppliers having **appropriated the necessary local project funds by June 30, 2008, and submitting a completed loan application, including detailed plans and specifications at the earliest possible date, but not later than October 15, 2008.** MassDEP's discretion a project on the IUP that will not be ready to proceed during the Calendar Year can be replaced by the highest ranked proposal(s) on the Priority List that is ready to proceed at the time funds are freed up.

The limitation for the Funding Period on financial assistance is \$32 million of the funds available on the IUP. MassDEP's current financial assistance regulations preclude any eligible borrower from receiving financial assistance for a project (s) in any amount more than 25% of the total financial assistance available.

To ensure that funds committed are used in a timely manner and that those funded communities are in compliance with all of their enforcement requirements, MassDEP is making eligibility for financing contingent on compliance with the terms of any outstanding enforcement or Administrative Consent Order (ACO). A community not in full compliance with an enforcement order or an ACO by the close of the public comment period will be removed from the IUP Project Listing and the funding will be reallocated to other borrowers. In no case will a Project receive approvals necessary for the issuance of a loan agreement unless the community is in full compliance with enforcement or ACO requirements, as determined by MassDEP.

### ***Project Priority List***

A project priority list is an enumeration and ranking of potential drinking water projects in the State. This project priority list is derived from projects not completed prior to the promulgation date of the Drinking Water SRF Regulations, and from new applicants expressing an interest to be included for funding. The evaluation and ranking of these projects was conducted based upon information solicited and submitted to MassDEP within the proponents'

Project Evaluation Forms (PEF). This project information was then rated and ranked according to MassDEP's 2008 Project Rating Score Sheet consistent with the criteria contained within MassDEP's regulations governing financial assistance. The proposed 2008 Drinking Water Project Priority List is presented in Table 2.

### ***Development of the IUP Project Listing***

With the available capacity of approximately \$140 million for the DWSRF program, the Commonwealth intends to provide assistance to those projects on the Final 2008 IUP Project Listing, Table 1. That Project Listing was developed based upon the following five-step process:

- Rate and rank the projects based on the information submitted and its relative impact on public health protection, improved compliance, affordability, and programmatic considerations, all as contained within the Commonwealth's priority ranking system.
- Evaluate the amount of financing requested by each community including the application of a limitation on financial assistance.
- Identify the sources and spending limits for available DWSRF funds.
- List in ranked order those projects ready to proceed in the Funding Period up to the amount of available DWSRF funding.
- Review resultant Project Listing to determine compliance with the 15% small system requirement.

To be considered for funding, projects must meet State and Federal eligibility requirements, must be ready to proceed during the Funding Period and have appropriated local funds necessary to finance the project. Eligibility includes consistency with the assurances described in this document and the requirements contained within MassDEP's financial assistance regulations. Periodically, projects on the final Project Priority List (Table 2) may have higher priority point totals than the projects on the IUP Project Listing (Table 1). That occurs because those particular projects on the Project Priority List are not ready to proceed. An important indicator of readiness to proceed is that a project has completed the State Environmental Review Process (SERP).

In the event that MassDEP must choose between two or more projects having the same priority point value, MassDEP shall rank the projects in order of the highest rating for public health criteria, and, if the same, highest affordability rating, and, if still the same, highest population at risk.

### ***Small Systems***

EPA requirements direct the States to provide at least 15% of the DWSRF grant amount to be used for the financing of small water supply systems (i.e. serving a population of less than 10,000). The proposed grant for the 2008 DWSRF equals \$22,159,000. Six (6) projects, totaling \$12,543,600, or 57% of the 2008 grant, are included on the IUP, easily satisfying the small system requirement.

### ***Project Bypass Procedure***

A project on the IUP Project Listing may be bypassed if MassDEP determines that the bypassed project will not be ready to proceed during the Funding Period. Project(s) bypassed will be replaced by the highest ranked priority project(s) on the Project Priority List that are ready to proceed or the funds may be used for cost increases to other projects previously approved. As previously stated, complete project applications not received nor expected to be received by the Department by October 15, 2008 will be automatically considered for bypassing.

### ***Certification for Priority***

To be considered for funding priority, communities must have appropriated the necessary local project funds or have committed to a schedule to **obtain those funds by June 30, 2008**. Also, complete applications must be



submitted to MassDEP at the earliest possible time, **but not later than October 15, 2008**. A complete application must contain the local funding authorization and the required supporting documentation. Any project not meeting these deadlines will be removed from the IUP Project Listing.

- No community can receive financial assistance unless it can demonstrate that it has adequate, technical, financial and managerial capacity, as approved by MassDEP.
- All projects submitted for funding are reviewed to assure general conformance with Water Quality Management Plans and other applicable water resource management plans.

### ***Assurances and Special Conditions***

Title XIV of the Federal Safe Drinking Water Act amendments of 1996 and subsequent regulations and guidance require that the Commonwealth certify compliance with or acceptance of a number of conditions. These include compliance with the applicable provisions of s. 1452, State Revolving Loan Fund, as follows:

- DWSRF borrowers are required to meet the standards of the National Environmental Policy Act or a State equivalent. Some projects, owing to their relatively minor environmental impacts, if any, do not trip the threshold of the Massachusetts Environmental Policy Act and are therefore not subject to the rigorous environmental review process set forth in MEPA. The Commonwealth reasons that these projects are categorically exempt from the NEPA review process. These Borrowers are: MWRA (pump station rehab), Fall River, New Bedford, Randolph, and Lowell (water main rehab)
- Binding Commitments. The Commonwealth will enter into binding commitments for 120 percent of each quarterly Federal payment within one year of receipt of that payment.
- Expeditious and Timely Expenditures. The Commonwealth will expend all funds in the SRF in a timely and expeditious manner.
- Compliance with Title XIV requirements. The Commonwealth agrees to meet the specific statutory requirements for drinking water projects constructed in whole or in part with funds directly made available by Federal capitalization grants.
- State Matching Funds. The Commonwealth agrees to deposit into the SRF from State monies an amount equal to 20 percent of the amount of each grant payment on or before the date on which the State receives each payment from the grant award.
- The Commonwealth agrees to expend each quarterly grant payment according to its laws and procedures.
- National Reporting Needs. The Commonwealth agrees to provide data or information to EPA as may reasonably be required for national reports, public inquiries, or congressional inquiries.
- Set aside Programs. The Commonwealth will conduct set aside activities consistent with the plan detail as Attachment A to this document.

**TABLE 2**  
**DRINKING WATER STATE REVOLVING FUND**  
**Calendar 2008 DWSRF Project Priority List**

# NEW PROJECTS

Rating	Applicant	PWSID	SRF ID	Project	Project Cost
138.0	LEOMINSTER	2153000	3111	New Water Treatment Plant and System Upgrades	\$19,260,000
108.0	DENNIS	4075000	3117	Two water treatment plants and transmission mains	\$11,110,000
92.0	*ASSABET WATER COMPANY, INC.	2286001	3109	Install New Water System in Lower Village, Stow	\$605,000
82.0	SALISBURY WATER SUPPLY COMPANY	3259000	3158	Rabbit Road Water main Replacement	\$1,560,000
70.0	*SOUTH GRAFTON	2110001	3112	Pump Station Upgrade for Filtration	\$1,760,000
70.0	FALL RIVER	4095000	3118	Water System Improvements - Phase 8	\$3,370,000
70.0	BILLERICA	3031000	3155	Distribution System Improvements	\$5,306,000
67.0	TAUNTON	4293000	3120	Water System Improvements	\$5,945,000
65.0	MWRA	6000000	3156	Weston Aqueduct Supply Main 3	\$48,803,000
63.0	MWRA	6000000	3160	NHS - Revere & Malden Pipeline	\$9,052,000
63.0	AMESBURY	3007000	3159	Water Treatment Plant Upgrade	\$22,500,000
61.0	TRI TOWN WATER BOARD	TBA	3080	Construction of New Water Treatment Plant	\$38,000,000
59.0	RANDOLPH	4244000	3149	Water System Improvements	\$4,229,000
56.0	GLOUCESTER	3107000	3154	Interim Water Treatment Plant Improvements	\$3,220,000
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42.0	NEEDHAM	3199000	3157	Rehab Water Main/Hydrants/Services	\$1,900,000
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40.0	CENTERVILLE OSTERVILLE MARSTONS MILLS WD.	4020002	3115	Water Stage Storage Tank Replacement	\$3,450,000
38.0	HOLBROOK	4133000	3150	Distribution System Improvements	\$9,350,000
37.0	*RUTLAND	2257000	3110	New Water Storage Tank and Tank Rehab	\$2,750,000
36.0	BRIDGEWATER	4042000	3116	Replacement of Water Mains	\$1,254,850
35.0	*ASHBURNHAM	2011000	3113	Distribution and Storage Improvements	\$4,314,600
32.2	*STOCKBRIDGE	1283003	3098	Water Storage Tank & Main Street Water Mains	\$2,935,000
22.0	*SOMERSET HILLS L.P.	2002005	3151	Connection to Municipal Water	\$179,000
<b>TOTAL OF NEW PROJECTS</b>					<b>\$210,019,450</b>

(Count: 24)

(Average Rating: 59.63)

\* Indicates Small System

**MassDEP PRIORITY PROJECTS**

Applicant	SRF ID	Project	Project Cost
EMERGENCY SRF SET-A-SIDE	2978		\$3,000,000
<b>TOTAL OF MassDEP PRIORITY PROJECTS</b>			<b>\$3,000,000</b>

(Count: 1)

**MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS**

Applicant	PWSID	SRF ID	Project	Project Cost
ATTLEBORO	4016000	3006	Water Distribution System Improvements	\$5,595,000
LOWELL	3160000	3037	Water System Rehabilitation and Improvement	\$16,895,000
MWRA	6000000	3050	Northern Low Service Area Rehabilitation	\$16,978,840
MWRA	6000000	3049	New Connecting Mains	\$47,808,200
MWRA	6000000	3048	Lower Hultman Aqueduct Rehabilitation	\$57,970,000
MWRA	6000000	2868	Spot Pond Mains, Clean Etc.	\$68,499,200
MWRA	6000000	677	Walnut Hill Water Treatment Plant	\$231,331,497
MWRA	6000000	1679	Blue Hills Covered Storage	\$37,766,275
MWRA	6000000	1680	Southern Spine Distribution Mains	\$41,785,754
WOBURN	3347000	3052	Water Treatment Plant Construction	\$21,700,000
<b>TOTAL OF MULTI-YEAR CARRYOVER AND STATUTORY PROJECTS</b>				<b>\$546,329,766</b>

(Count: 10)

**PLANNING PROJECTS**

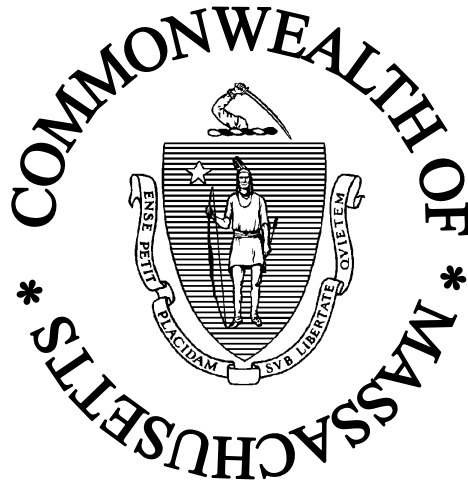
Applicant	SRF ID	Project	Project Cost
BOXBOROUGH	3148	Planning for New Water Supply & Distribution	\$500,000
TAUNTON	3163	Water System Studies	\$55,000
<b>TOTAL OF PLANNING PROJECTS</b>			<b>\$555,000</b>

(Count: 2)

**TOTAL OF PROJECT PRIORITY LIST** **\$759,904,216**

# ATTACHMENT A





**DRINKING WATER  
STATE REVOLVING FUND  
(DWSRF)**

Intended Use Plan  
For Fiscal Year 2008 Set-aside Funds  
Authorized Under the Federal  
Safe Drinking Water Act

**January 1, 2008**

# **DRINKING WATER STATE REVOLVING FUND PROGRAM**

## **MASSACHUSETTS INTENDED USE PLAN FOR SET-ASIDE FUNDING ACTIVITIES TO BE SUPPORTED BY FEDERAL FISCAL YEAR 2008 FUNDING January 1, 2008**

### **I. 4% FOR ADMINISTRATION – 8 FTEs**

**A. MANAGE DWSRF COORDINATION** of Projects and Liaison with the Massachusetts Water Pollution Abatement Trust.

**B. OVERSEE ADMINISTRATION AND MANAGEMENT** of the DWSRF Priority List/Intended Use Plan process and fiscal administrative aspects of the set-asides, such as grant application and fiscal reporting, and coordinate with the Drinking Water Program in regard to the set-asides, including the Leak Detection and Conservation Capacity Improvement Program.

**C. SUPPORT, CONDUCT, AND ANALYZE PROJECT APPLICATIONS AND PROJECT REVIEWS**, and administer the 15% Set-Aside Leak Detection and Water Conservation Capacity Improvement Grants.

#### **4% Set-Aside Deliverables**

Coordination of all DWP Source Protection and Technical Services Activities  
Set-Aside IUP and Work Plan Sections that Reflect Drinking Water Program Needs and Priorities  
Oversight of DWSRF Loans and Grants

#### **4% Set-Aside Measures of Success**

Drinking Water Source Protection and Technical Services Section Activities that Support Drinking Water Program Goals and Priorities and are Coordinated with the DWSRF  
Set-Aside Activities Achieve Stated Deliverables and Measures of Success that are Consonant with Drinking Water Program Objectives.  
Award of Loans and Grants in a Timely Manner

## **II. 2% FOR SMALL SYSTEMS SET-ASIDE – 3 FTEs**

In 2008, MassDEP anticipates applying for the full 2% small systems technical assistance set-aside. This set-aside is restricted to use for small systems technical assistance.

**A. STAFFING TO SUPPORT MUNICIPAL SERVICES** in Providing Technical Assistance in Support of Small System Capacity Development – 3 FTEs. Three FTEs will continue to be provided in the regions to follow up with individual small systems on specific compliance issues and other system operation issues.

### **B. CONTRACTED SERVICES:**

Continue Third Party Technical Assistance to Public Water Systems

The funds designated in this section provide for continued operation of the existing third party technical assistance contract or implementation of a new contract. Work provided under that contract is described below. The technical assistance provider (contractor) will provide one-on-one site visits or capacity sanitary surveys to “priority one” (noncompliant) small community and non-community systems, and to small systems personnel. Training visits will be a minimum of 4 hours. They will cover SRF application assistance (or assistance in applying for other financial opportunities), financial planning, cross connections, source and distribution protection, operator certification, sample collection, consumer outreach reporting, sample schedules, violations response. They will also address selection of appropriate technologies for small systems needs (including the development of a database on appropriate small system treatment technologies and protocols). In addition, they will cover assistance with specific small system compliance-related water quality problems, and assistance on technical problems identified in a CCE or Sanitary Survey. **As well, a number of Capacity-building activities under this contract will be funded through the 15% Local Assistance Program set-aside.** That work will be separately tracked.

The technical assistance provider (contractor) will develop and deliver group training seminars for priority 2 (hard to reach) community and non-community systems. Typical examples are listed below:

- Seminars on distribution and source protection.
- Seminars on consumer outreach and reporting as well as use of the Internet as a source of drinking water information.
- Seminars on sample schedules and violations response.
- Seminars on new SDWA rules.
- Provide operator certification training seminars (with certification credits) for Small System Operators, especially on new and existing SDWA requirements such as SOC/IOC monitoring requirements, public notification requirements, distribution system maintenance, water treatment topics, capacity development, small systems variances and exemptions, and the SRF process.

MassDEP will develop lists of priority water systems to receive this assistance. Contractors will be provided these lists and will be asked to recruit as well as track the progress of all public water supplies they work with. FY 08 funds will be reserved to continue this new contract.

### **2% Set-Aside Deliverables:**

On-site Training and Support to Public Water Suppliers.

Perform TNC compliance assistance sanitary surveys and provide Groundwater Under the Influence evaluations.

Technical Assistance Given to Targeted Systems that have Specific SDWA Treatment Compliance Issues  
Reviews of Technical Reports Related to Water Supply Technology and Analysis.

Technical Reviews of State Initiatives such as Disinfection Byproduct Treatment or Groundwater Disinfection.

Supervision of Technical Staff and Training Programs for Suppliers.

Technical Reviews of Major Water Quality Projects and Public Health Data.

Information for the Public and for Water Suppliers on Major Water Quality Problems.

Perform Comprehensive Performance Evaluations (CPEs) for surface water treatment plants.

Seminars on SDWA Topics.  
Establishment and Operation of Mentoring Groups.  
Training Sessions (with credits) providing Certified Operator Training.

**2% Set-Aside Measures of Success:**

Compliance Issues are Successfully Addressed in the Targeted Systems.

Completion of planned capacity sanitary survey visits.

Effective Technical Assistance Given as Scheduled.

Each group seminar and one-on-one assistance session will be preceded and followed by an evaluation form to be filled out by participants to assess the efficacy of the session. Evaluation of the results will be considered as part of the contract assistance, and provided to the MassDEP staff responsible for implementing training initiatives and reporting on Capacity Development, for their assessment and future planning. Evaluation of all training and assistance will consider the success of recruiting recalcitrant and high-priority systems. Evaluation of mentoring cooperatives will be based on the sustainability and perpetuation of the mentoring groups.

Reports Reviewed as Scheduled.



### **III. 10% FOR STATE PROGRAM MANAGEMENT – 22.78 FTEs**

#### **A. CONTINUE CAPACITY ASSURANCE PROGRAM – 5.25 FTEs**

In the early approaches to Capacity, MassDEP designated specific staff as capacity specialists. This was effective in developing the elements of the Capacity Assurance program. As time has passed, the Drinking Water Program has discerned that it is more productive to train all staff that do Sanitary Surveys in the elements of Capacity Assurance, and to integrate the former capacity specialists into that activity and other general drinking water activities related to assessment, development, and assurance of capacity. The Drinking Water Program has also instituted several capacity implementation activities as described under the 15% local Assistance Set-Aside.

#### **B. CONTINUE TO FUND SOURCE PROTECTION PROGRAM – 3 FTEs [See Also Under Local Assistance 15% for Additional Capacity-Related Components of Source Protection Program.]**

With the conclusion of the SWAP Assessments, the Source Protection function has been integrated into the general drinking water program activities. MassDEP is still funding 3 FTEs worth of this work from the 10% set-aside, but the source protection tasks are now distributed among more individuals and reaching more PWS.

##### **1. CONTRACTED SERVICES**

a. CONTINUE to manage Surface Water Supply Protection Program.

b. CONTINUE to develop and maintain spatial data related to public water sources and potential contamination threats and produce source protection maps as needed.

#### **C. PWSS SUPPORT – 13.53 FTEs**

a. Review engineering plans and specifications for construction of public water supply facilities, perform compliance and enforcement activities relating to the Massachusetts Drinking Water Regulations and provide technical assistance to public water suppliers

b. Continue to support the Drinking Water Program by providing administrative assistance to all Drinking Water Program staff.

3. Support the Drinking Water Program by providing legal assistance to DWP staff in matters related to SDWA Primacy.

4. Provide assistance in implementation of the Surface Water Treatment Rule (SWTR), coordinating tracking of the SWTR activities, and assisting with related guideline revision. Review new technology, establishing and updating New Technology List, reviewing new technology projects within MassDEP fee time guidelines. Assist in Lead and Copper Rule implementation through DPH lead coordination, lead and copper tracking, and coordinating with MassDEP Regions. Implement Groundwater Rule. Coordinate vending machine and bottled water activities of DWP. Coordinate DWP point of entry/point of use treatment activities. Coordinate Ground Waters Under the Influence of Surface Waters (GWUI) activities with DW SRF Staff in the MassDEP Regions. Coordinate Comprehensive Performance Evaluations (CPE) with DEP Staff. Review variances and exemptions. Continue implementation of the Arsenic Rule and Stage II Disinfectants Rule. Coordinate emergency planning and response activity.

5. Coordinate management of Water Quality Assurance data. Maintain and enhance Water Quality Testing System (WQTS), assign and oversee work of ITO Oracle programmer manage MassDEP SDWIS Data, coordinate Disinfection Byproducts Rule efforts, coordinate monitoring and reporting, and coordinate work and issues between the Drinking Water Program and laboratories.
6. Support the Drinking Water Program and the Capacity Assurance Program by providing database development/enhancement and web site management and general source protection support. It is critical that MassDEP be able to develop web site materials that meet EPA requirements for making drinking water information public, and that it provide an efficient, pleasing, clear way for the public, the regulated community and others to obtain information. Create tools to facilitate program tracking and organization. Support the Drinking Water Program by developing protection-related guidance materials and ensuring that they are readily available. Review source protection plans and provide source protection technical assistance. Assist in Drinking Water Awards Program and other Capacity-related activities. Provide outreach to PWS.
7. **CONTRACTED SERVICES**  
In FFY 2008, MassDEP will continue to contract for assistance and staff to support data management activities e.g. enter compliance monitoring and other data, maintain the PWS inventory develop related reports, verify statistical information used to set the Assessment

**D. CONTINUE to support the SDWA Small System Public Water System Classification and Operator Certification Programs. – 1 FTE**

This work is now expanded by being included among general Drinking Water program responsibilities. The activities are now distributed among more individuals. The Massachusetts Drinking Water Program has a very active program that ranges from chairing the Board of Certification Of Drinking Water Operators to providing general and specialized training of and guidance for drinking water operators at all levels. In particular, training opportunities are being provided for operators of small systems. MassDEP is beginning this year to supply more active guidance for Contracted Operators.

The program also works closely with Boards of Health in identifying and registering new PWS, as well as with the Board of Certification in assuring operator compliance.

**E. MassDEP INDIRECT CHARGES ON MATCH FOR 10% PROGRAM MANAGEMENT ACTIVITIES**

The Commonwealth intends to completely meet the one-to-one match required through in-kind services incurred by MassDEP through the administration costs that were incurred during the periods of fiscal years 1993 and 2007. Detailed documentation will be provided upon request.

**10% Set-Aside Deliverables**

Coordination and evaluation of Statewide Capacity Development Work Products  
Implementation of Financial Review Protocols  
Training Sessions for Regional Capacity Development Activities  
Capacity Assessments and Capacity Compliance Schedules during Sanitary Surveys.  
Capacity Reviews in Source Approval Process  
Audit of Financial Information for up to 20% of PWS  
Liaison for Third Party TA and Mobilization  
Data Entry and Tracking  
Compliance evaluations and Schedules for 20% of all TNCs  
Training Schedules for TA Providers  
Reports  
Coordination of Certified Operator Training Contract

On-Site Training and Support to Water Suppliers  
 Public Water System-specific Protection Recommendations  
 Improved GIS Coverages for Watershed Protection  
 Hydrogeologic Reviews  
 Technical assistance meetings, approved water supply protection plans, outreach materials.  
 Spatial data, Maps.  
 Set-asides Data updates  
 SWTR tracking system and records  
 Revised SWTR Guidelines  
 Updated New Technologies List  
 Lead and copper tracking system and records  
 WQTS/SDWIS reports and data downloads  
 User Training for WQA Data System  
 Quarterly WQTS EMAIL newsletter  
 Plan for state implementation of Disinfection Byproducts Rule  
 Regulations, Policy, and guidance for Disinfection Byproducts Rule.  
 Disinfection Byproducts Rule training for DWP staff and PWSs  
 Post annual SDWA compliance report as required by EPA.  
 Capacity Assurance Program databases; eventually incorporate into WQTS.  
 Continue to post CCR program information on Internet.  
 Continue to maintain and update Drinking Water Program Web Site design, links, etc.  
 Continue to classify public water systems and facilities.  
 Review and approve training courses for training contact hour ratings  
 Review and approve staffing plans for public water systems  
 Implement and update enforcement strategy.

**10% Set-Aside Measures of Success:**

Capacity is Improved  
 Regional Staff Produce Coordinated Work on capacity evaluations  
 Technical, Financial, and Managerial Capacity of Targeted Systems Improves, or Systems without TMF capacity are Absorbed by Other Systems with adequate Capacity  
 Reviews and Reports are Complete and are Produced in a Timely Manner to meet all EPA SDWA Deadlines  
 New and Updated Surface Water Supply Protection Plans are Approved  
 Local Source Protection Efforts are implemented at Surface PWS Sources  
 Program is Well Thought Out and Revised as Necessary  
 Technical Assistance is Appropriate and Timely and Leads to Improved Source Protection in the Systems Visited/Assessed  
 Protection of Public Water Supplies is Enhanced  
 GIS Databases are Properly Reviewed and Maintained  
 SWAP Assessments, reports and maps are conducted on new or newly identified PWS  
 Data Management Systems allows upload of NIMS as required  
 Set-aside System is developed and implemented  
 Project System is developed and implemented  
 SWTR activities are coordinated  
 SWTR guidelines are revised  
 New technology proposals are reviewed within MassDEP Fee and Permit timelines  
 Lead and Copper Rule work is coordinated  
 Vending machine and bottled water activities are coordinated  
 Point of Entry/Point of Use treatment activities are coordinated.  
 GWUI and CPE activities are coordinated.  
 WQTS and SDWIS are successfully coordinated  
 WQTS Newsletter published quarterly  
 DBP Rule is implemented in Massachusetts  
 Monitoring is coordinated

Laboratory certification for new contaminants is coordinated  
WQA-related laboratory issues are coordinated  
Drinking Water Web site is clear, easy to use and understand.  
EPA regulatory requirements for CCR and annual compliance report are met.  
Individual Program databases support web postings in an efficient manner and easily link to WQTS.  
Drinking water information is easy to find from MassDEP home page.  
Links to relevant sources of information are appropriate and maintained.  
Public Water systems and facilities are classified and entered into WQTS on an ongoing basis.  
A list of all training courses is developed  
All public water systems have an approved staffing plan  
An effective enforcement strategy is developed and kept current with emerging Rules and changing conditions.

## IV. 15% FOR LOCAL ASSISTANCE - 15 FTEs

### Wellhead Protection and Capacity Implementation

#### A. STAFFING – 15 FTEs

1. Assist with source protection program activities related to groundwater sources, as well as operation of the UIC program (a.k.a. “Underground Source Water Protection Program”). Ensure consistency of this work among regions; coordinate with GIS and Internet programs; coordinate with other MassDEP programs; investigate available data for usefulness to groundwater protection; and develop relevant policies and procedures.
2. Develop and maintain spatial data related to public water sources and potential contamination threats. Work with regional staff and resources to locate regulated facilities including locating information in files and making site visits to collect location information. Assist with GIS management.
3. Assist in Zone II delineation (and re-delineation as needed) and other wellhead protection-related work.
4. Provide technical assistance on source protection to public water suppliers and local officials, and assist with the source water assessment program and with protection of groundwater sources from contamination by septic systems. This includes providing system-specific protection recommendations.
5. In accordance with the Capacity Strategy, provide technical assistance in implementing capacity development, including the ability to provide adequate quantities of source water. Provide Capacity Outreach.
6. Provide assistance, primarily with protection of groundwater sources.

#### B. CONTRACTED SERVICES

1. Manage the wellhead protection program and provide technical guidance. This includes: reviewing and approving municipal land use controls for compliance with state wellhead protection regulations at 310 CMR 22.21(2) for new source approvals and water management permits; providing technical assistance to communities, public water suppliers and consultants regarding wellhead protection and compliance with state regulations; overseeing consistency of wellhead protection program among regional offices; providing local regulatory review training, information, and assistance to regional offices; and developing wellhead protection documents, outreach material fact sheets, and wellhead protection database.
2. **Third-Party Capacity Development in Small Systems** - MassDEP proposes to fund Capacity Development tasks of small systems assistance with third-party contractor. \$175,000 in 15% Local Assistance funding will be used. In previous years funding for Small Systems Technical Assistance came entirely from the 2% Small Systems set-aside, but the Drinking Water Program has concluded that a portion of the work is more appropriately funded under the Local Assistance Capacity Implementation provisions. Typical activities are listed below:
  - Seminars in financial planning for small community systems
  - Seminars on financial planning for small non-community systems
  - Establish sustainable PWS mentoring groups (at least 4 statewide) and organize meetings to address information sharing on: financial management, rate setting,

sampling/purchasing cooperatives, management consolidation, restructuring, or other topics important to developing the capacity of participating systems.

**C. GRANTS:**

**1. Water Conservation Program**

\$800,000 will be used to continue providing local assistance grants that support capacity development through water conservation programs, including leak detection.

**2. Capacity Development – (Large Systems)**

\$800,000 in grant funds will be used to improve the technical, financial and managerial (capacity development) operation of water systems (serving more than 10,000 persons) through the funding of costs associated with planning, (including water rate analysis).

**15% Set-Aside Deliverables**

UIC program operating under State Primacy

Spatial data, maps.

Zone II Reviews

On-Site Training and Support to Water Suppliers

UIC tracking and reports

Outreach materials, technical assistance meetings, training for regions, and bylaw reviews.

Implementation of water conservation capacity improvement grant program.

Implementation of Capacity Development grant program.

**15% Set-Aside Measures of Success:**

Improved Source Protection for ground water sources at State and Local Levels

GIS Databases are Properly Reviewed and Maintained

Reviews are conducted in a Timely Manner

Contract Oversight is Effective

Technical Assistance is Appropriate and Timely and Leads to Improved Source and Aquifer Protection in the Systems Visited

Methods to assure capacity to deliver adequate quantities of drinking water are developed

Program Goals Meet MassDEP Objectives

Improved Protection at the Local Level

**V. STATUS OF FY 1997 THROUGH FY 2007 SET-ASIDE FUNDS**

**(Please Note: FY 1997-FY 2003 Set-Aside Funds Have Been Expended)**

	FFY04	FFY05	FFY06	FFY07	Total By Set- Aside	Minus Proj P/R & Related Costs	*Minus Proj. Costs (Not Encumbered.)	Minus Encumbrances to Date (12/17/07)	Net Available
<b>Administration - 4%</b>			\$ 227,709.00	\$ 881,440.00	\$ 1,109,149.00	\$ (952,052.23)		\$ (158.37)	\$ 156,938.40
<b>Small Systems – 2%</b>		\$ 182,661.86	\$ 440,720.00	\$ 440,720.00	\$ 1,064,101.86	\$ (360,070.22)		\$ (425,313.37)	\$ 278,718.27
<b>State Management 10%</b>	\$ 1,543,554.98	\$ 1,660,141.67	\$ 2,203,600.00	\$ 2,203,600.00	\$ 7,610,896.65	\$ (2,240,643.44)	\$ (3,200,000.00)	\$ (100,020.79)	\$2,070,232.42
<b>Local – 15%</b>		\$ 554,234.80	\$ 3,305,400.00	\$ 3,305,400.00	\$ 7,165,034.80	\$ (1,287,185.53)	\$ (1,450,000.00)	\$ (1,422,977.61)	\$3,004,871.66
<b>Total Available</b>	\$ 1,543,554.98	\$ 2,397,038.33	\$ 6,177,429.00	\$ 6,831,160.00	\$ 16,949,182.31	\$ (4,839,951.42)	\$ (4,650,000.00)	\$ (1,948,470.14)	\$5,510,760.75

## **IUP SET-ASIDE BUDGET BASED ON FFY 2008 FUNDING LEVEL**

**This Budget equals 31% of the Cap Grant and 100% of all allowable Set-Asides.**

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### **Administration Set-Aside – 4%**

**Total Available: \$886,360**

#### **PURPOSE**

#### **AMOUNT REQUESTED**

Staff

\$885,360

Support

\$ 1,000

TOTAL REQUESTED (100% of available Set-Aside)

\$886,360

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### **Small Systems Set-Aside - 2%**

**Total Available: \$443,180**

#### **PURPOSE**

#### **AMOUNTS REQUESTED**

Staff

\$ 329,793.

Support

\$ 157.

Contracts

\$ 113,230.

TOTAL REQUESTED (100% of available Set-Asides)

\$ 443,180.

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### **State Program Management Set-Aside – 10%**

**Total Available: \$2,215,900**

#### **PURPOSE**

#### **AMOUNTS REQUESTED**

Staff

\$ 2,660,590

Support

\$ 27,473

Contracts

\$ 70,000

TOTAL 2008 FUNDS REQUESTED (100% of available Set-Aside)

\$2,215,900.

Total Unexpended Prior Year Funds to be used

\$ 542,163.

TOTAL ALL 2008 + Prior Years 10% Funding Use Planned

\$2,758,063.

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### **Local Assistance Set-Aside – 15%**

**Total Available: \$3,323,850**

#### **PURPOSE**

#### **AMOUNTS REQUESTED**

Staff

\$1,656,765.

Support

\$7,445.

Grants

\$1,600,000.

Contracts

\$ 175,000.

TOTAL 2008 FUNDS REQUESTED (100% of available Set-Aside)

\$ 3,323,850

Total Unexpended Prior Year Funds to be used:

\$ 115,360

TOTAL ALL 2008 + Prior Years 15% Funding Use Planned

\$ 3,439,210

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### **TOTAL REQUESTED FOR ALL FFY 2008 SET-ASIDES**

**\$6,869,290**

TOTAL REQUESTED FROM PRIOR YEAR UNEXPENDED FUNDS

\$ 657,523

TOTAL OF FFY 2008 DW SRF SET-ASIDES PLUS PRIOR FUNDS

\$ 7,526,813